

Message Text

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C O N F I D E N T I A L SAN JOSE 2266

E.O. 11652: GDS
TAGS: PFOR, PGOV, CS
SUBJECT: GOVERNMENT PARTY LEGISLATIVE BLOC CALLS FOR VESCO
DEPARTURE

REF: SAN JOSE 2154

1. SUMMARY. IN DRAMATIC BREAK WITH PAST, ENTIRE GOVERNMENT
PARTY LEGISLATIVE BLOC CALLS FOR ROBERT VESCO TO LEAVE COSTA
RICA. ASSEMBLY UNANIMOUSLY PASSES RESOLUTION TO INVESTIGATE
FIGUERES' ALLEGATIONS OF CORRUPTION. FIGUERES SAYS VESCO MADE
NO "PERSONAL" CONTRIBUTION TO ODUBER CAMPAIGN. END SUMMARY.

2. THE NATIONAL LIBERATION PARTY'S NATIONAL ASSEMBLY
CONTINGENT HAS CALLED FOR ROBERT VESCO'S DEPARTURE FROM
COSTA RICA. I
MA FOUR-POINT PUBLIC DECLARATION RELEASED
MAY 18, THE GOVERNMENT PARTY DEPUTIES FLATLY STATED.
"WE BELIEVE THAT IN ORDER TO SAY TO COSTA RICANS THAT THE
BUYING AND SELLING (COMPRVENTA) OF PARTIES AND POLI-
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TICIANS BELONGS TO THE PAST, MR. VESCO MUST LEAVE."
STATEMENT UNDERLINES REPEATEDLY THAT "VESCO MUST GO".
IT CITES THE NEED TO ATTRACT THE VOTE OF COSTA RICAN
YOUTH AND WOMEN (TO DO SO, "VESCO MUST GO.") IT SAYS THAT
"VESCO MUST GO" IN ORDER TO CLEANSE COUNTRY AND TO CLEAN
UP ADMINISTRATION, CONTRIBUTIONS, AND FINANCIAL MANAGEMENT
OF POLITICAL PARTIES. DECLARATION STATES THAT VESCO CAME

TO COSTA RICA "NOT TO BECOME AN HONORABLE MEMBER OF OUR FAMILY...BUT TO TAKE ADVANTAGE OF WEAKNESSES OF OUR NATIONAL POLITICAL SYSTEM IN ORDER TO...LOOK FOR POWER AND PROTECTION BASED ON MONEY." DECLARATION ASKS AUTHORITIES TO THREATEN (SIC) VESCO TO DEPART COUNTRY AS SOON AS VESCO'S JUDICIAL PROHIBITION TO LEAVE COSTA RICA (BECAUSE OF OUTSTANDING LOCAL CASE AGAINST HIM) IS TERMINATED.

3. THE STATEMENT EXPRESSES SOLIDARITY WITH PRESIDENT ODUBER, CATEGORICALLY STATING THAT HIS AND THE ASSEMBLY'S 1974 ELECTIONS WERE CLEAN. THE PLN LEGISLATORS ALSO CALL FOR THE NATIONAL ASSEMBLY TO FORM A FIVE-MAN COMMISSION TO INVESTIGATE JOSE FIGUERES' CHARGES OF CORRUPTION. FINALLY THEY SUGGEST THAT ALL INDIVIDUALS, COSTA RICAN AS WELL AS FOREIGN, WHO HAVE BEEN MAJOR FINANCIAL CONTRIBUTIONS TO ELECTION CAMPAIGNS BE INVESTIGATED AS PART OF THE EFFORT TO INITIATE A NEW ERA IN NATIONAL POLITICS.

4. THE PLN MANIFESTO WAS RELEASED ONE DAY AFTER THE NATIONAL ASSEMBLY PASSED A RESOLUTION INTRODUCED BY TWENTY-THREE DEPUTIES, REPRESENTING THE OPPOSITION UNITY, NATIONAL UNIFICATION AND COMMUNIST FACTIONS, DEMANDING AN IMMEDIATE INVESTIGATION OF FIGUERES' REVELATIONS. THE PLN CONTINGENT SUPPORTED THE PROPOSAL BECAUSE IT DOES NOT LIMIT THE SCOPE OF THE INVESTIGATION. LIBERATION STRATEGY HAS INCREASINGLY BEEN TO CHARGE THE OPPOSITION AND OTHER ELEMENTS WITH CORRUPTION AND SHADY FINANCIAL DEALINGS IN ORDER TO DEFLECT ATTENTION FROM THEMSELVES. AS PART OF THIS EFFORT, MEMBERS OF THE

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PLN LEGISLATIVE BLOC MAY 17 STRONGLY ATTACKED ALLEGED CORRUPTION IN THE TREJOS ADMINISTRATION (1966-1970), AND PRESENTED A MOTION TO INVESTIGATE ALLEGED CHRISTIAN DEMOCRATIC INTERNATIONAL FINANCIAL CONTRIBUTIONS TO OPPOSITION UNITY PRESIDENTIAL CANDIDATE RODRIGO CARAZO'S CAMPAIGN. (OPPOSITION AND LEADING DAILY "LA NACION" RIGHTLY HAVE CALLED THIS A DIVERSIONARY TACTIC TO OBSCURE THE PLN SCANDAL).

5. THE DEMAND THAT VESCO BE EXPELLED IMMEDIATELY HAS BEEN INCREASINGLY HEARD THE PAST WEEK. TO COUNTERACT THIS EFFORT, VESCO LAWYER JOSE MARIA PLA CONTESTED AN OPPOSITION DEPUTY'S ASSERTION THAT THE EXECUTIVE HAD THE LEGAL AUTHORITY TO EXPEL IMMEDIATELY UNDESIRABLE FOREIGNERS AND, THEREFORE, COULD ACT AGAINST VESCO. PLA NOTED THAT A JUDICIAL DECREE PROHIBITS VESCO FROM LEAVING THE COUNTRY UNTIL THE RECHNITZER SUIT AGAINST THE FINANCIER IS RESOLVED. THE EXPULSION LAW, PLA URGED, CONTAINS PROVISIONS PREVENTING THE

EXECUTIVE FROM IGNORING A JUDICIAL ORDER OF THIS NATURE AND UNILATERALLY EXPELLING A FOREIGNER. (COMMENT: LAWYERS THE EMBASSY KNOWS SAY THAT THIS INTERPRETATION MAY BE CORRECT, BUT THAT EXECUTIVE COULD SIMPLY ASK SUPREME COURT TO LIFT ORDER IF EXECUTIVE WANTED TO EXPEL VESCO.)

6. MEANWHILE JOSE FIGUERES, IN THE FOURTH INSTALLMENT OF HIS COMMENTARY ON "NEW REPUBLIC" INTERVIEW RELEASED MAY 16, STATED CATEGORICALLY "ROBERT L. VESCO NEVER GAVE A PERSONAL CONTRIBUTION TO THE LAST POLITICAL CAMPAIGN." THE FORMER PRESIDENT SAID HE TOLD "NEW REPUBLIC" THAT CERTAIN FINANCIAL GROUPS PROVIDED MONETARY ASSISTANCE TO THE POLITICAL CAMPAIGN, ADDING "IN COSTA RICA (AND IN OTHER COUNTRIES) THE MONEY OF RICH CITIZENS AND FOREIGNERS HAS ALWAYS BEEN USED TO ELECT THE PRESIDENT AND DEPUTIES." THE CLEAR IMPLICATION--VESCO MONEY FUNNELED THROUGH CORPORATE ENTITIES WAS USED IN THE POLITICAL CAMPAIGN. CONFIDENTIAL

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FIGUERES SAID THAT HE FINDS THE PRACTICE NEITHER ILLEGAL OR IMMORAL, AND SCORED THE PRESS FOR TRYING TO CREATE A WATERGATE TYPE SCANDAL.

7. COMMENT: IN PAST, CALLS FOR VESCO EXPULSION CAME ALMOST EXCLUSIVELY FROM OPPOSITION RANKS, OPPOSITION MEDIA, AND DISSIDENT MEMBERS OF GOVERNMENT PARTY (PLN). THE STARK CALL FOR VESCO TO LEAVE FROM THE PLN'S TWENTY-SEVEN PERSON LEGISLATIVE BLOCK IS THE MOST SIGNIFICANT EVIDENCE YET OF HOW VESCO'S FORTUNES HAVE CHANGED IN COSTA RICA--AND HOW THE PRESURES ARE BUILDING AGAINST DANIEL ODUBER TO "DO SOMETHING." VESCO'S PRESENCE HAS FINALLY HIT THE GOVERNMENT PARTY WHERE IT HURTS THE MOST: IN ITS POLITICAL CAMPAIGN. THE LEGISLATORS' MANIFEST SMACKS VERY MUCH OF WHAT CANDIDATE LUIS ALBERTO MONGE HAS SAID PRIVATELY ON VESCO'S PRESENCE AND HOW IT COULD NEGATIVELY AFFECT PLN'S ELECTION CHANCES.

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